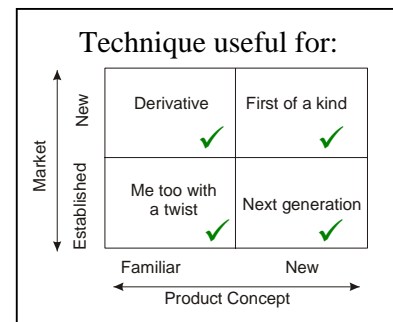


## S.W.O.T. Analysis

**In a few words:** *If you know your strengths and weaknesses and understand the opportunities and threats you have, then you can do something about them.*

In its simplest form, a SWOT analysis can be understood as the examination of an organization's internal strengths and weaknesses, and its environments opportunities, and threats. It is a general tool designed to be used in the preliminary stages of decision-making and as a precursor to strategic planning in various kinds of applications (Johnson et al., 1989; Bartol et al., 1991). An understanding of all external factors, (threats and opportunities) together with an internal examination of strengths and weaknesses assists in forming a vision of the future.



### Why use it?

To develop a plan or find a solution that takes into consideration many different internal and external factors, and maximizes the potential of the strengths and opportunities while minimizing the impact of the weaknesses and threats.

### When to use it?

While developing a strategic plan or planning a solution to a problem, after you have analysed the external environment (for example, the culture, economy, competition, technical ability, sources of funding, demographics, etc.).

SWOTs can be performed by managers, designers or by the entire project team. Group techniques are particularly effective in providing structure, objectivity, clarity and tend to focus discussions about strategy that might otherwise tend to wander.

### How to use it:

- Internal Analysis:** Examine the capabilities of your organization. Carefully examine all your **strengths** and **weaknesses**. Draw ideas from projects that you have both successfully and unsuccessfully completed.
- External Analysis:** Look at the main points in the environmental analysis, and identify those points that pose **opportunities** for your organization, and those that pose **threats** or obstacles to performance. Carefully examine the market in which you intend to launch the product and analyse what the status of the competition.
- Make a worksheet by creating four quadrants: one each for strengths, weaknesses, opportunities, and threats. The next step is to list specific items related to the problem at hand, under the

		Positive		Negative	
		Strengths		Weaknesses	
Internal	1		1		
	2		2		
	3		3		
	4		4		
	5		5		
	6		6		
	7		7		
	8		8		
	9		9		
	10		10		
		Opportunities		Threats	
External	1		1		
	2		2		
	3		3		
	4		4		
	5		5		
	6		6		
	7		7		
	8		8		
	9		9		
	10		10		

appropriate heading in the worksheet. It is best to limit the list to 10 or fewer points per heading and to avoid over-generalizations (Johnson et al., 1989). If more items are thought of, try to prioritise them so that you list only the 10 top items for each category.

After completing your SWOT analysis chart, ask yourself these questions:

1. How can I use my strengths to enable me to take advantage of the opportunities I have identified?
2. How can I use these strengths to overcome the threats identified?
3. What do I need to do to overcome the identified weaknesses in order to take advantage of the opportunities?
4. How will I minimise my weaknesses to overcome the identified threats?

### **The potential drawbacks of SWOT**

SWOTs usually reflect a person's existing position and viewpoint, which can be misused to justify a previously decided course of action rather than used as a means to open up new possibilities. It is important to note that sometimes threats can also be viewed as opportunities, depending on the people or groups involved.

“An optimist is one who sees an opportunity in every difficulty. A pessimist is one who sees difficulty in every opportunity.”

- Sir Winston Churchill -

SWOTs can allow companies to take a lazy course and look for 'fit' rather than to 'stretch'; they look for strengths that match opportunities yet ignore the opportunities they do not feel they can use to their advantage. A more active approach would be to involve identifying the most attractive opportunities and then plan to stretch the company to meet these opportunities. This would make strategy a challenge to the organisation rather than a fit between its existing strengths and the opportunities it chooses to develop (Glass, 1991).

### **References**

- Bartol, K. M., & Martin, D. C., *Management*. New York: McGraw Hill, Inc. 1991
- Glass, N. M., *Pro-active management: How to improve your management performance*. East Brunswick, NJ: Nichols Publishing, 1991
- Johnson, G., Scholes, K., & Sexty, R. W., *Exploring strategic management*. Scarborough, Ontario: Prentice Hall, 1989

### **Recommended Further Reading**

Radha Balamuralikrishna, John C. Dugger, *SWOT analysis: a management tool for initiating new programs in vocational schools*, Journal of Vocational and Technical Education, Volume 12, Number 1, Iowa State University, <http://scholar.lib.vt.edu/ejournals/JVTE/v12n1/Balamuralikrishna.html>